

**CUSTOMER
SATISFACTION -
WITH DISTINCTI**



MRF

ANNUAL REPORT

2003 - 2004

www.reportjunction.com

* J. D. Power Asia Pacific 2004 India Original Tire Satisfaction Study™.
2003 Study based on more than 1,500 consumer responses at 12-18 months of ownership. www.jdpower.co.jp



Dear Shareholder,

I shall be shortly completing two years in office as Chairman and it's been a memorable and rewarding experience. I have endeavoured to follow in the footsteps of my illustrious father and I am happy to say the results for MRF have been gratifying. We continue to win prestigious, international recognition for customer satisfaction. It is indeed heartening to know that the MRF philosophy of putting the customer first is paying off handsomely.

Mind you, the past year has not been without its challenges.

Costs of key raw materials have gone up. Competition has become more keen. Despite these difficulties, we have increased our market share. What's more, we have been successful in cutting costs.

The future is full of promise. A buoyant economic outlook, increased government investment in building a national road infrastructure and ready availability of finance will all combine to fuel growth in the automobile industry.

The scope for further gains in both the domestic and international markets is large and MRF plans to capitalise fully on this favourable economic climate.

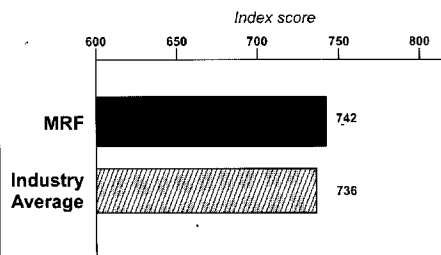
In the year ahead, we look forward to the exciting prospect of strengthening our leadership position.

A handwritten signature in black ink, which appears to read 'K. M. Mammen'. The signature is written in a cursive style and is underlined with a single horizontal stroke.

K. M. Mammen
Chairman and Managing Director



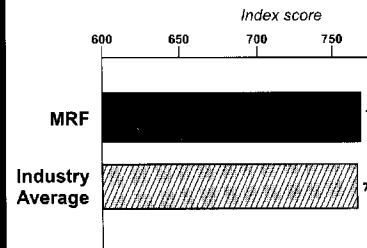
J. D. Power Asia Pacific, Inc.
2002 India Original Tire Customer
Satisfaction Index Study™ (TCSI)



Source: J. D. Power Asia Pacific 2002 India Original Tire Customer Satisfaction Index Study™

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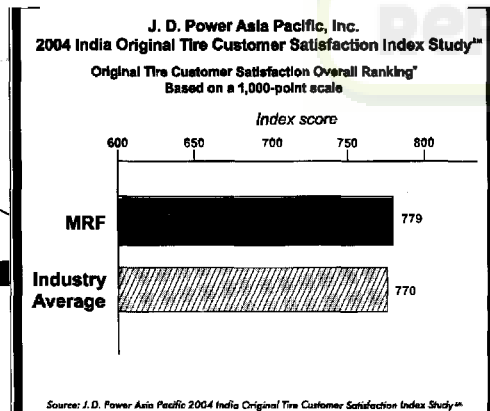
2003

As any successful enterprise, MRF has many proud achievements to its credit. Accolades and healthy numbers, they all stand testament to the passion for excellence that drives the MRF team.

The years 2002 and 2003 saw MRF winning the No.1** award for Customer Satisfaction with Original Tires from JD Power Asia Pacific. In the year 2004, MRF topped the ranking again, making it the third time in a row. The J. D. Power Study represents the voice of the customer, which is why receiving it gives MRF the greatest satisfaction.

For MRF it is a moment of pride, for an Indian company it is a note-worthy achievement.

MRF takes this opportunity to thank its customers for their unwavering faith.



2004

*J. D. Power Asia Pacific 2004 India Original Tire Satisfaction Study™. 2003 Study based on more than 1,500 consumer responses at 12-18 months of ownership. www.jdpower.co.jp.

**Highest customer satisfaction with Original Tires Three Years in a Row, Tied in 2002 & 2003.

MRF products enjoy the highest brand preference for their superior quality and durability. MRF leads the tyre industry in India, with the largest market share in almost every segment.

MRF - The Big Daddy of Radials

The ZVRL from MRF is the broadest radial tyre (265 mm in width) to go as original fitment on any car in India. A stunning fit for the Ford Endeavour. Built with an eye on tough Indian roads, the tubeless ZVRL is an innovative product of MRF R & D. Fabulous looks, enhanced road grip, inimitable comfort and phenomenal stability round off this classic product.

MRF ZVRL
The Broadest
Radial Tyre.

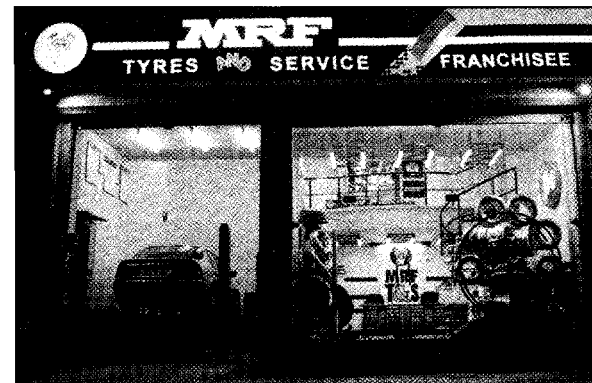


MRF Butyl Tubes

MRF also manufactures Butyl Tubes for all two wheelers and passenger cars. These tubes are packed in tamper-proof cartons to ensure the customer gets a guaranteed MRF product.



MRF Butyl Tubes available
for passenger radials.



An impressive MRF T&S Showroom with computerised wheel services and display of superior tyres.



CERTIFICATE

The TÜV CERT Certification Body for QM-Systems
of RWTÜV Systems GmbH

hereby certifies in accordance with TÜV CERT
procedure that

MRF LIMITED

PONDICHERRY PLANT

Eripakkam, Nettapakkam Commune,
Pondicherry - 605 106, India

has established and applies a quality system for

Design, Manufacturing & Marketing of
Automotive Radial Tyres & Tubes

An audit was performed, Report No. 2.5-693/1998

Proof was furnished in accordance with the Automotive Certification
Scheme - Rules for ISO / TS 16949 : 2002 (1st edition)
that the requirements according to

ISO / TS 16949 : 2002

and the customer-specific requirements given in annex 2 have been met

The certificate is valid until
Certificate Registration No. 0411191168
IATF-Registrier-No. 0015490

June 16, 2006

RWTÜV



[Signature]

The TÜV CERT Registration Body for this certificate
is RWTÜV Systems GmbH

Expiry: 30.06.2007

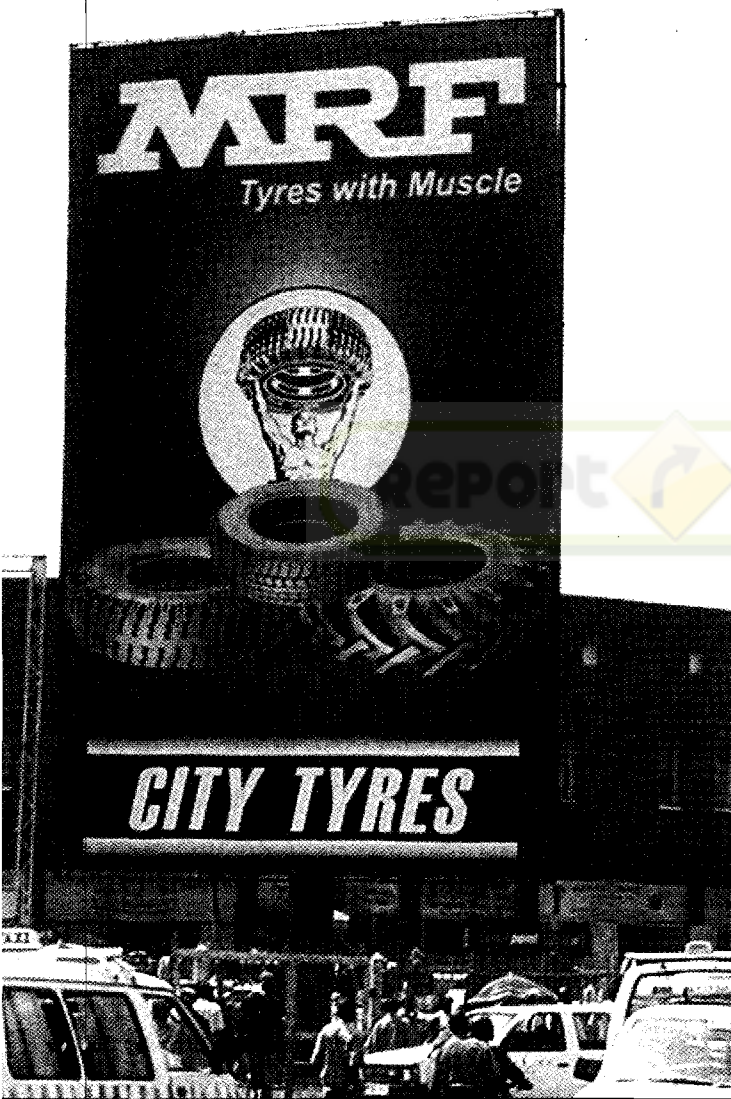
Expansion work is in progress in our factories at Arkonam, Pondicherry, Kottayam, Medak and Goa.

Each of these ISO certified plants has an ultra modern infrastructure that ensures there is no compromise in quality.

A sound combination of state-of-the art technology, R&D and an overriding passion to excel have helped MRF rewrite industry standards.

QMS Certification: ISO/TS 16949:2002

MRF's Pondicherry plant and the Corporate Functions are ISO/TS 16949:2002 certified. The Pondicherry plant won the quality certification for design, manufacturing and marketing of Automotive Radial Tyres and Tubes. All MRF plants are now being certified for ISO/TS 16949:2002 standards.



MRF exports its products to over 75 countries worldwide. Our exports have shown a record turnover during the last year.

Several new markets have been covered, through an ever-expanding network of dealers. Offices in Dubai, Vietnam, Dhaka and Australia provide the required thrust. We have also made an entry into the racing and karting markets in the UK, the Scandinavian region, Cyprus and Australia. Not surprisingly, the entire range of MRF tyres find ready acceptance worldwide.

◀ Giant Display of MRF Dealer in Uganda.





Sachin Tendulkar completed 34 centuries equaling Sunil Gavaskar's world record.

Brian Lara scored 400 runs in an innings, creating a world record.



New Range of MRF Specialty Coatings.

New product launch: MRF Specialty Coatings

MRF Specialty Coatings proudly launched MRF Durothane, an economical, multi-purpose, 100 % polyurethane for metal, wood and plastic surfaces. A superior coating, Durothane comes in a range of 20 vivid shades and 3 exotic finishes - glossy, matte and satin. A novel way to bring spark and colour to your house.

Available in both glossy and matte finishes, the MRF Cento was also introduced. It is an elegant, 100% polyurethane finish for wood surfaces, both interior and exterior. Undoubtedly, a class that gives you that extra edge.

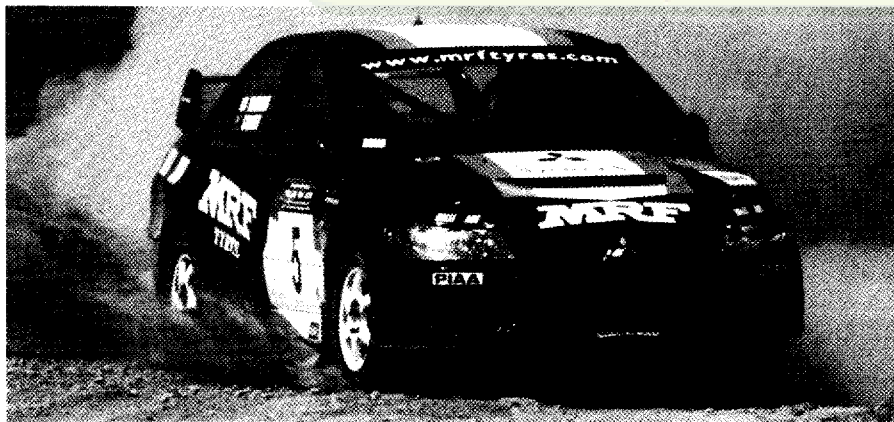


Irfan Pathan, an alumnus of the MRF Pace Foundation, was declared the 'ICC emerging player of the year' for 2004.

For MRF, from tough roads to tougher race-tracks was just a step away. MRF pioneered motor racing in India. Today MRF has emerged triumphant across the Asia-Pacific region, reinforcing MRF tyres' suitability for all kinds of roads.

MRF is also actively nurturing what is undoubtedly the most popular sport of all times - cricket. The MRF Pace Foundation with Australian bowling legend Dennis Lillee as its Director, has given the country some match winning pace bowlers.

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Team MRF's Katsuhiko Taguchi and co-driver Mark Stacey, driving a Mitsubishi Lancer Evo 8, won the Chinese round of the FIA Asia Pacific Rally Championship 2004.